

COMMONWEALTH OF VIRGINIA
Compliance Certification by Non-Participating Manufacturer
(Quarterly Deposits Made for 2017 RYO Tobacco Sales)

Part 1: Tobacco Product Manufacturer Identification

Full Legal Name: _____

Address: _____

Contact: _____

Phone: _____ Fax: _____

Email: _____

Part 2: Sales Quarter Ending: _____ (Day, Month, and Year)

Quarters end:

March 31 (escrow **deposit due** May 15; this certification and confirming statement from Escrow Bank **must be received** in the Virginia Attorney General's Office by May 31);

June 30 (escrow **deposit due** August 15; this certification and confirming statement from Escrow Bank **must be received** in the Virginia Attorney General's Office by August 31);

September 30 (escrow **deposit due** November 15; this certification and confirming statement from Escrow Bank **must be received** in the Virginia Attorney General's Office by November 30);

December 31 (Escrow **deposit due** April 15 of following year; this certification and confirming statement from Escrow Bank **must be received** in the Virginia Attorney General's Office by April 30).

Part 3: Units Sold (One Unit Sold Equals .09 ounces of RYO subjected to excise tax in Virginia).

Step 1: **Number of ounces** of RYO product sold in the Commonwealth of Virginia, whether directly or through a distributor, retailer or similar intermediary or intermediaries, during the Sales Quarter, as measured by excise taxes collected by the Commonwealth on RYO tobacco.

Step 2: Calculate units sold during the sales quarter by **dividing** number of ounces sold by .09:

Brand Family(s): _____

Part 4: Escrow Rates and Deposit Amounts

Explanation concerning inflation adjustments on quarterly payments: Va. Code Section 3.2-4201 requires escrow deposits to be “adjusted for inflation.” Va. Code Section 3.2-4200 defines “adjusted for inflation” as increases in accordance with the formula for inflation adjustment set forth in Exhibit C to the Master Settlement Agreement. Each year, this calculation applies an inflation rate of 3% or the actual inflation rate, whichever is greater. The actual inflation rate for the calendar year will not be known until January of the following year. Consequently, for the first three quarters, the escrow deposits due should be calculated using a projected escrow rate based on a 3% inflation percentage for the year. That projected rate is indicated below. The actual inflation rate for the year will become available in January of the following year, and at that time an actual escrow rate for the year, including inflation, will be inserted into the appropriate blank space below on this form as it will appear on the Office of the Attorney General website at www.vaag.com. To determine its Fourth Quarter escrow deposit, the manufacturer should multiply its total units sold during the calendar year times the actual (i.e., newly announced) escrow rate, to get the total of escrow deposits due for the year. The manufacturer should then subtract the total of the first three quarters’ escrow deposits that have already been made, to arrive at the amount of escrow that is due for the Fourth Quarter.

For First Three Quarterly Deposits:

For 2017 sales, the *projected* escrow rate per unit sold, including the inflation adjustment is \$0.0337416.

Quarterly Deposit Total: _____ = \$ _____
(Units Sold during quarter x projected escrow rate per unit sold)

For Fourth Quarter Deposits Only:

Total Escrow Due for Sales Year 2017:
(Total units sold for all four quarters x *actual* escrow rate per unit sold of _____). \$ _____

Subtract Total Amount of Escrow Deposited for First Three Quarters - \$ _____

Fourth Quarter Escrow Deposit Due: = \$ _____

Note: If Manufacturer is also depositing escrow on cigarette sales, add the total RYO tobacco escrow payment from above to the cigarette escrow total from page 2 of Certificate of Compliance for cigarette sales (quarterly), and make ***one combined deposit***, for cigarettes and RYO tobacco, to the escrow account.

- **Proof of deposit in form of statement of account from Financial Institution and any amendments to the qualified escrow agreement must be attached to this Compliance Certification.**
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Part 5: Financial Institution for Qualified Escrow Fund

Agent: _____

Institution: _____

Address: _____

Phone: _____ Fax: _____

Email: _____

Escrow Account: _____

Commonwealth of Virginia (Sub) Account: _____

Cumulative Deposit Amount (all Sales Years) for sales in Virginia: \$ _____

Part 6: Affidavit of Tobacco Product Manufacturer (*must be executed by an authorized officer*)

Under penalty of perjury, I state that the information contained in this Compliance Certification is true, correct and complete, and that I am a qualified company officer authorized to bind the Tobacco Product Manufacturer filing this Certification.

Name: _____

Title: _____

Phone: _____ Fax: _____

Email: _____

Date: _____ Signature: _____

Notary:

City/County of _____

Subscribed and sworn to before me on this date: _____

Signature: _____

My commission expires: _____

Mail fully executed Compliance Certification to:

**Tobacco Enforcement Unit
Office of the Attorney General
202 N. 9th Street
Richmond, Virginia 23219**
